



**MINUTES**  
**Rate Structure Work Group Meeting**  
**Friday September 9, 2022 / 10:00AM - 12:00PM**  
**Held via: Zoom Webinar**

**Attendance:** Laurie Vachon, BDS Facilitator; Jen Doig, BDS Facilitator; Christy Roy, BDS Facilitator; Abby Conger, BDS; Drew Smith, A&M; Krista Stephani, MSLC; Lesley Beerends, MSLC; Jacquelyn George, MSLC; Kim Shottes, ED Plus Company; Martin McNamara, Optumas; Ellen McCahon, ED CSNI; Matthew Cordaro, ED One Sky Services; Shelley Kelleher, CFO Lakes Region Community Services; Sudip Adhikari, Gateways; Kara Nickulas, CMCC; Alecia Ortiz, A&M; Stacey Rosenzweig, A&M; Susan Silsby, Easter Seals

*Please reference the corresponding slide presentation for the detailed agenda, including topics and themes covered in the meeting and corresponding takeaways and applicable action items.*

Topic	Key Takeaways & Action Items
<b>Cost Report Reminders</b>	<ul style="list-style-type: none"> <li>Cost report information for DAADS and Financial Management Services (FMS) are due on September 30, 2022.</li> <li>Remaining schedules included in the cost report are due on November 1, 2022.</li> <li>Myers and Stauffer LC (MSLC) updated the FAQ document and included questions previously provided through email. Questions can be found on the Bureau of Developmental Services (BDS) website.</li> <li>Providers informed MSLC that the cost reports are time consuming due to organizational challenges, including limited staff coverage and payroll numbers.</li> </ul>
<b>Review of General Rate Setting Principles</b>	<ul style="list-style-type: none"> <li>MSLC intends to demonstrate how the base wage affects the overall calculation by separating the rate calculation into two portions: <ul style="list-style-type: none"> <li>Wage: The direct support professional (DSP) portion.</li> <li>Support: The mileage, support, and administration portion.</li> </ul> </li> <li>MSLC will initially start with the DSP wage by collecting information from the BLS. Additionally, MSLC will review procedures of surrounding states and cost report information to validate education and experience level. <ul style="list-style-type: none"> <li>All information is provided from the Direct Staffing tab on the cost report.</li> </ul> </li> </ul>

- MSLC will then apply the employer related expenses (ERE) to the DSP wage. The ERE percentage is calculated as a percentage of total employee benefit expenses as a percentage of total wages. The information for this step comes from the Expenses tab on the cost report.
- The DSP availability factor is based on information from the Benefits and Paid Time Off (PTO) tab, and the Training and Turnover tab in the cost report. This includes times when DSPs are not working one-on-one with an individual they serve. MSLC will need to factor in the time that it takes the DSP to perform tasks.
  - As an example, providers cannot bill for training; however, we need to account for activities such as this in the rates.
- After calculating all of the above, this results in the adjusted DSP wage.
- Supporting components are then considered, where appropriate. If mileage is included within a service, we will include. We will look at the Transportation-Medication Management tab or other data tab. We will also look at any information you provide in the questions tab. We calculate mileage based on a percent on the DSP hour.
- Program Support: Based on the Program Staffing and Expenses tab in the cost report. Program costs are calculated as a percentage of total DSP wages.
- Administration Support: Based on Administrative Staff and Expenses tab in the cost report. Administrative costs are calculated as a percentage of total allowable expense.
- Total calculation: Information from the cost report service specific tabs will be used to determine the following, as applicable:
  - Staffing ratios
  - Billing units
  - Various levels of support for each billing code
- MSLC walked through a blended rate calculation using multiple BLS codes.
  - It is important to keep in mind that the more occupation codes used for blending, the messier it becomes.
  - Sometimes BLS with change code definitions slightly, which result in the expiration of previous codes.
- DSP wages for a rate build up generally reflect wage information available from the BLS. BLS updates every May. MSLC will benchmark data to other sources (like the cost report), to ensure wage data reflects the New Hampshire landscape, as much as possible.

#### **Trend Information to BLS Data**

- MSLC recognizes the previous years have not been normal in terms of wages. When reviewing trends, MSLC assesses recent

projections from official sources, like the Congressional Budget Office.

- At this time, we cannot confirm specifics for what sources will publish by the time rate models will need to be reviewed.
- However, the trend for the last year, or two, is substantially higher than previous years, so it is anticipated the developed rates will be higher than they would have been five years ago.
- When more details are available, MSLC will share details on what the trend rates are with the group.
- Validate the occupational description encompasses the duties of the DSP for a particular service.
- Determine if one or more occupation codes will be used to calculate a DSP wage.
- BLS data allows for changes in the DSP wage calculation to reflect the service needs.

#### **Work Group Member Questions and Answers**

- Question: Some providers cover more in health insurance than other providers. How does MSLC intend to calculate that into their percentage?
  - MSLC Response: MSLC will gather information from all cost reports, and what each agency is paying. Next, MSLC will review the averages and medians to develop rates. The intention is to develop overall reasonable rates that are achievable for the majority of agencies as a whole. Similar to DSP wages, MSLC will review BLS data for employee related expenses and validate it against amounts reported in the cost report. A wage portion will be calculated; however, providers are not required to pay their DSPs the exact DSP wage as included in the rate methodology.
- Question: Due to workforce challenges, overtime has been a considerable expense. How will MSLC factor in overtime rates in the cost report while calculating the wage, especially in a 24 hours a day/7 days a week settings?
  - MSLC Response: MSLC will account for overtime rates by including the expense as part of the wage when reviewing overall staffing costs. Ideally, the target rate will not require an excess amount of overtime.
- Question: What does MSLC mean regarding the previous response?
  - MSLC Response: Rates do not prescribe what will have to be paid. MSLC understands there are limitations with historical rates and that is the reason for reviewing the BLS, and other states, to ensure the rates are sufficient to require an appropriate worker for that service.
- Question: Does the Centers for Medicare & Medicaid Services (CMS) have limits on program support or administrative expenses?

	<ul style="list-style-type: none"> <li>○ MSLC Response: MSLC is not aware of any set limits for program support. As for administrative services, the highest limits seen have been at 25 percent. Some states will set limits at 10 percent. The higher the administrative services are, the more likely it is CMS will ask questions. MSLC can anticipate the threshold is between 20 to 25 percent, but that amount varies and depends on the component's reasoning for a higher percentage.</li> <li>• Question: The percentage of wage is determined by the BLS wage, inflated by a certain amount, and may be multiplied. Percentage of wage also considers availability; however, what is the percentage of the DSP hour? <ul style="list-style-type: none"> <li>○ MSLC Response: MSLC displayed a mathematical example live during the presentation. Total program costs (which is multiplied by the total DSP adjusted wage) are divided by the total DSP wage to acquire a percentage.</li> </ul> </li> <li>• Question: Could MSLC provide the above information? <ul style="list-style-type: none"> <li>○ MSLC Response: MSLC indicated information reviewed during the presentation would be sent to Rate Work Group Members.</li> </ul> </li> <li>• Question: Could MSLC discuss the DSP availability factor further? Is this about the Supports Intensity Scale (SIS) score? <ul style="list-style-type: none"> <li>○ MSLC Response: For the DSP availability factor, MSLC recognizes that 100 percent of the professional's time is not spent providing direct care. Professionals will have PTO, training time, and administrative tasks. MSLC wants to account for the time when the DSP is not directly working with the individual, but rather providing other supportive functions. Certain tasks are billable; however, MSLC would like to account for all of their time, including non-billable tasks. This does not necessarily have to do with the SIS scores.</li> </ul> </li> <li>• Question: MSLC stated PTO may be included in the availability factor and an average is used. Some companies may offer more PTO benefits than others. What is MSLC's approach and how do they account for holiday pay? <ul style="list-style-type: none"> <li>○ MSLC Response: All PTO and holiday hours are included in availability based on how the cost report is setup.</li> </ul> </li> <li>• Question: Will there be geographical considerations for services like transportation? Additionally, many DSPs transport in their own vehicles. Most agencies do not pay the federal rate. How will MSLC factor in this information? <ul style="list-style-type: none"> <li>○ MSLC Response: MSLC has asked many questions regarding the cost report, mileage, use of the DSP's personal vehicle, how vehicles are owned/leased, and different ways in gathering this information. MSLC will be looking at where the organization is within the state to determine geographical decisions. Mileage could be different based on services provided.</li> </ul> </li> <li>• Question: Is the intent to adjust blended rate calculations every year?</li> </ul>
--	--

	<ul style="list-style-type: none"> <li> <ul style="list-style-type: none"> <li>○ MSLC Response: Additional discussions are occurring internally at BDS. The DSP Workforce Group is reviewing recommendations and the possible impact on current work. Currently, MSLC is unable to provide a direct answer; however, will be continuing discussions.</li> </ul> </li> <li>• Question: What year is the BLS that will be used?           <ul style="list-style-type: none"> <li>○ MSLC Response: Currently, the BLS is from May 2022, and includes 2021 data. MSLC will also review trending and inflation, in addition to the BLS data.</li> <li>○ Work Group Member: It would be helpful to understand the inflation factors, etc., to better help individuals understand how the rates are constructed.</li> </ul> </li> <li>• Question: When applying trend information to BLS, is this a standard actuarial process? Is this something the state has options on?           <ul style="list-style-type: none"> <li>○ MSLC Response: In exercises like this, MSLC will have a recommended trend, and then a reasonable high ceiling and a low floor around that amount. The range is intended to be a reasonable estimate for the projection factor to the actual period in which the rates would be implemented. Crucial part to remember is that the decisions need to be supportable to CMS and the Legislature.</li> </ul> </li> <li>• Question: How customized is the trend?           <ul style="list-style-type: none"> <li>○ MSLC Response: There is not a standard factor and it is state and service dependent. We will be looking at New Hampshire variations to bring them into alignment with the federal sources.</li> </ul> </li> <li>• Question: What happens with the family services where a DSP is not involved?           <ul style="list-style-type: none"> <li>○ MSLC Response: MSLC will work with the state to determine which components are applicable to enhanced family care (EFC). For example, paid benefits may not apply to EFC providers. Training and supervisory supports will be in administrative component.</li> </ul> </li> <li>• A Work Group member asked a specific question related to their allocations on the cost report. MSLC indicated that if the amount is overtime and beyond the normal job, it is perhaps okay to split percentages, as the service being provided is not part of that employee's standard job expectation.</li> <li>• Question: How will the work from the DSP focus group be factored into the rates?           <ul style="list-style-type: none"> <li>○ MSLC Response: MSLC needs to establish a base DSP wage for the rate calculations. The focus group provided excellent recommendations on how the DSP position should evolve overtime. Focus group recommendations will be evaluated as BDS provides feedback on the focus group's recommendations. Current work being conducted by MSLC will provide a starting point for the DSP wage.</li> </ul> </li> </ul>
--	---

	<ul style="list-style-type: none"> <li>Once we have a base DSP wage we can adjust as needed for considerations like experience and education levels that we want to use for the base.</li> </ul>
<p><b>Discuss Feedback Received from the August BLS Exercise</b></p>	<ul style="list-style-type: none"> <li>MSLC received three responses from this Rate Work Group.</li> <li>MSLC saw significant fluctuations, and believes this reflects the flexibility that exists today.</li> <li>MSLC will compile the information from the cost reports related to education and compare to BLS occupation codes.</li> <li>Draft recommendations for the DSP position to propose further discussion.</li> <li>Discussions regarding the DSP position will resume after cost reports are submitted and MSLC is able to validate information.</li> <li>There were four occupation codes that were not used. This is what lead MSLC to take an alternative path to see what can be done with the data provided through this exercise and see what comes through the cost report.</li> <li>Many services were very different in terms of the BLS categories respondents used to define the DSP for that service. Case management was one where MSLC had many comments about occupation codes that covered paperwork and transportation. What was interesting for case management is that there were six different occupation codes amongst the three and they both chose two different ones. It shows wide variability.</li> </ul> <p><b><u>Work Group Member Questions and Answers</u></b></p> <ul style="list-style-type: none"> <li>Question: More definition of the DSP role is needed due to the variation in the system on DSPs. Because of the DSP system, this exercise appears too complex. The second piece is that there are some data collection going on behind the scenes to "chunk out" DSP responsibilities. If you have a DSP performing certain tasks that could relate to five categories, how do you portion this out? It's almost like technical assistance (TA) is needed on task descriptions.             <ul style="list-style-type: none"> <li>MSLC Response: Looking at cost reports, based on education and experience levels, MSLC will suggest a recommendation based on what has been provided and previous discussions. MSLC will bring a starting recommendation forward and continue to discuss changes and how it impacts the DSP component of the wage conversation. Regardless, all variations will need to come down to one number that MSLC can support based on the information received. When reviewing a weighted percentage, some occupation codes may have similar wages attached, and if there are two codes with similar wages, a decision on only using one code for those calculations will be decided. Upon having the completed data, those decisions will be an easier task.</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• Question: Was outreach done to families and individuals, and DSPs to get their take on percentages? <ul style="list-style-type: none"> <li>◦ MSLC Response: Not at this point. When initial recommendations are received, public feedback will be provided in this setting.</li> </ul> </li> <li>• Work Group Member: I did the task and each DSPs work is based on each individual's needs. I did use staff in our organization. It was difficult: <ul style="list-style-type: none"> <li>◦ MSLC Response: This is why the cost report information will be important.</li> </ul> </li> <li>• Work Group Member: Family recommendations are important and should be considered prior to public comment. <ul style="list-style-type: none"> <li>◦ MSLC Response: Thank you. We will take it back.</li> </ul> </li> <li>• Question: Why do we not expect answers on START? <ul style="list-style-type: none"> <li>◦ MSLC Response: There is not a representative from START on the Rate Work Group, but MSLC has been working with them closely on their information.</li> </ul> </li> </ul>
<p><b>Next Steps</b></p>	<p><b><u>Next Steps</u></b></p> <ul style="list-style-type: none"> <li>• Send out rate example; slides will be posted on the website along with a recording of the meeting. The PowerPoint presentation will be sent to the group.</li> <li>• Continue completing cost report.</li> <li>• No additional tasks at this time. If work group members are thinking about DSP for a particular service, please send information to MSLC.</li> </ul> <p><b><u>Work Group Member Questions and Answers</u></b></p> <ul style="list-style-type: none"> <li>• Question: When will a timeline be provided? November 1st, is an initial date, but what date will rates be prepared? What will happen with DAADS/FMS? When will they be released to agencies to validate? In the absence of this information, this is a driving concern. <ul style="list-style-type: none"> <li>◦ MSLC Response: MSLC needs DAADS/FMS for the direct bill 7/1 requirements. As far as other rates, there are discussions happening at BDS and will share when additional information is available.</li> </ul> </li> </ul> <p>Question: Will prior authorizations (PA's) be part of DAADS? Based on rates, we all have to decide what lines of business we have to go in there. Having some of these decisions made need to be done so quickly. You may not have the providers you currently have today.</p> <ul style="list-style-type: none"> <li>◦ BDS Response: Decisions will need to be considered and made. Currently, we are building a huge information technology (IT) system that is different for how you do PA's today. Individuals impacted by these changes have to evaluate if this makes sense for them, and it has to be done in a timely fashion to ensure continuity of services.</li> </ul>

	<ul style="list-style-type: none"> <li>• Question: What happens if people do not send the cost reports? Are you reaching out to other providers? <ul style="list-style-type: none"> <li>◦ MSLC Response: Should MSLC receive a limited number of costs reports, discussions would be needed to inform how best to move forward. We are working with the Department to identify additional outreach activities to make sure providers are aware of the cost report and the resources we have made available to successfully complete the cost reports.</li> </ul> </li> <li>• Question: How many providers have completed their Medicaid paperwork? Currently unsure if providers will see the cost report as something they need to complete. <ul style="list-style-type: none"> <li>◦ MSLC Response: MSLC and BDS are working to ensure outreach to providers is as expansive as possible to stress the importance of completing the cost reports. If members of the Work Group have suggestions for outreach ideas, please let us know.</li> <li>◦ A Work Group Member provided suggestions to the group for additional outreach activities. MSLC and BDS committed to reviewing the feasibility of these suggestions to expand outreach.</li> </ul> </li> </ul>
--	--